

Healthcare Supply Chain Performance Improved Across Systems

A seamless transition unlocked major savings, better data, and improved vendor and carrier coordination.

The Challenge

Lack of pricing transparency, carrier negotiations without clear direction, operational inefficiencies

The Solution

Leveraged [TranzAct Healthcare](#) and [Parcel](#) Solution

The Result

Clarity in structure and negotiations that resulted in a 32% overall savings-equal to \$1.2 Million

Company Background

TranzAct's healthcare client is a family of doctors and hospitals, serving more than 100 communities in Northern California. As a not-for-profit, they operate 24 acute care hospitals and over 200 clinics.

Business Problem

This healthcare system was on the right track. Electing to concentrate on their core competencies while leveraging outside experts to handle their supply chain, efficiencies were noted. However, they were not realizing the gains they thought were possible with their current Managed Services provider. Performing their due diligence, they identified TranzAct HealthCare as a potential partner through an RFP process.

There were a number of areas the healthcare system was looking to improve, and TranzAct HealthCare was able to help in the following:

1. Their current Managed Services provider was brokering their freight and handling the day-to-day shipping, but there was no transparency in the pricing.
2. With healthcare as their core competency, they are a parcel-heavy shipper, supplemented by other modes. External expertise was needed to negotiate with their carriers and create efficiencies with their vendors.
3. The urgency of the healthcare industry meant that even if switching partners made sense, they could not afford any loss of operational efficiency or data accuracy. In fact, the reliability of day-to-day functions needed to improve to ensure quality patient care.

Their Logistics Manager worked with the TranzAct team to identify the right solutions for their specific needs while ensuring a seamless transition to the new solution not only for themselves, but for their carriers and vendors.

Solution - TranzAct Healthcare and Parcel Services

TranzAct was able to save \$1.2 Million right off the top by eliminating the margin their previous provider was bundling into their freight costs and instead establishing full transparency in what they were actually paying for their freight moves.



The clarity in rate structure allowed the healthcare system to go directly to their carriers to negotiate rates and more accurately determine the best carrier for their moves. TranzAct's Managed Services handles the day-to-day operations and advises around strategy. For example, TranzAct realized that using UPS Direct for parcel shipments would generate savings and advised their team to make a switch that created 32% in savings.

Reliable data is now achievable to uncover this sort of Business Intelligence thanks to TranzAct's Freight Audit and Payment system along with

Constellation TMS. Implementation of these systems was smooth, as TranzAct created a template for each vendor, provided multiple training sessions to ease the transition, and monitored progress to ensure timely migration. The result was having over 800 vendors up to speed on the new system within six months' time.

While the healthcare system concentrates on patient care, TranzAct's transportation expertise has translated into greater efficiency for their supply chain. TranzAct has essentially become a liaison between the system, their carriers, and their vendors, uncovering new and creative solutions. While working through claims with UPS, a new offering was devised that not only moves their packages at a great rate but has built in protections for their valuable freight.

Due to the urgent nature of moving important medical packages, reliability in the day-to-day operations is paramount. To that end, Constellation TMS displays critical real time tracking and tracing data and monitors exceptions to ensure sensitive deliveries arrive on time.

Additionally, TranzAct has provided a dedicated phone number for vendor support that is available 24/7. This not only made it possible to increase vendor compliance, but also laid the groundwork for migrating all of their vendors to the TMS for inbound moves.

While the healthcare system concentrates on patient care, TranzAct's transportation expertise has translated into greater efficiency for their supply chain. TranzAct has essentially become a liaison between the healthcare system, their carriers, and their vendors, uncovering new and creative solutions.

While working through claims with UPS, a new offering was devised that not only moves their packages at a great rate but has built in protections for their valuable freight.

Other next steps include helping them maximize their claims efforts, with the goal of obtaining credits for particular accessories and developing a claims escalation report to be reviewed with carriers on a regular basis.

Value Proposition

To date, TranzAct's Healthcare Managed Services offering has brought technology and expertise that has improved their supply chain while simultaneously generating 32% in savings.

The tools TranzAct has installed have allowed for a greater level of collaboration between the healthcare system, their carriers, and their vendors, with TranzAct as the hub. Because of the shared visibility and reliable data now available, new strategies are being developed.

Additional ongoing savings are being continually uncovered through carrier selection and negotiation, as well as the optimization of shipping processes.

TranzAct manages over \$1 Billion annually in transportation for health care companies, and have applied their vast knowledge for work for numerous healthcare systems just like this one.



Get the Structure, Visibility, and Savings You Need

Learn more about TranzAct's Parcel
Solution →